

EXHIBIT D

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August 27, 2020

VIA E-MAIL

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Re: In re Fin. Oversight & Mgmt. Bd., No. 17-BK-3283-LTS –Commonwealth Assets Rule 2004 Requests

Counsel:

I write to provide an update regarding AAFAF's productions in response to Ambac's Assets Rule 2004 Motion [ECF No. 9022]. I will address issues in the order in which they were raised in your August 17, 2020 letter. By repeating Ambac's heading structure, AAFAF does not reflect any acceptance or agreement by AAFAF that the materials sought are within the scope of Ambac's original requests or within the acceptable bounds of Rule 2004 discovery.

A. Category 1: Assets (current and transferred/encumbered)

- *Documents sufficient to show, from January 1, 2015 to the present, the alienation or encumbrance of any assets held by the Commonwealth or its instrumentalities.*
- *A list of the Commonwealth's current assets.*

Official Inventory of Real Property Assets. AAFAF has made clear that no centralized repository of every asset and encumbrance from January 1, 2015 to the present exists and that it would be unduly burdensome and disruptive to the Government's operations to create one.¹ With respect to search functionality and instrumentalities that have contributed to the inventory, AAFAF disclosed the inventory as it exists.

We consider our production with respect to the Official Inventory to be complete.

Prioritized Commonwealth Assets. AAFAF reiterates its objection to these requests as overbroad, particularly insofar as they seek information regarding assets that are not owned by the Commonwealth. AAFAF is continuing to work with the relevant instrumentalities to determine what materials are available beyond what it produced on August 6, 2020.

¹ See AAFAF's February 24, 2020 Letter at 1; AAFAF's May 19, 2020 Letter at 1.

AAFAF Assets Review. In response to your request for the responses to the November 2019 letter produced at ASSETS_2004_0000601, we have produced the below-listed certifications that AAFAF received from the responding entities.

Responding Entity	Bates
Administración de Compensaciones por Accidentes de Automóviles	ASSETS_2004_0001285
Administración de Desarrollo Socioeconómico de la Familia	ASSETS_2004_0001286 ASSETS_2004_0001287 ASSETS_2004_0001288
Administración de la Industria y el Deporte Hípico	ASSETS_2004_0001289
Administracion de Rehabilitacion Vocacional	ASSETS_2004_0001290
Administracion de Seguros de Salud	ASSETS_2004_0001291
Administracion de Servicios Medicos de P.R.	ASSETS_2004_0001292 ASSETS_2004_0001295 ASSETS_2004_0001300 ASSETS_2004_0001303
Administracion para Cuidado y Desarrollo Integral de la Ninez	ASSETS_2004_0001328
Administracion para el Desarrollo Empresarial Agropecuario	ASSETS_2004_0001329
Administracion para el Susteno de Menores	ASSETS_2004_0001330
Autoridad del Distrito del Centro de Convenciones	ASSETS_2004_0001331
Autoridad para el Financiamiento de la Vivienda	ASSETS_2004_0001332
Banco de Desarrollo Economico de Puerto Rico	ASSETS_2004_0001333 ASSETS_2004_0001334
Centro de Diabetes para Puerto Rico	ASSETS_2004_0001337
Comision Apelativa del Servicio Publico	ASSETS_2004_0001338
Comisión de Desarrollo Cooperativo de Puerto Rico	ASSETS_2004_0001339 ASSETS_2004_0001340
Industrial Commission of Puerto Rico	ASSETS_2004_0001341
Corporación del Fondo del Seguro del Estado	ASSETS_2004_0001342
Corporación Pública para la Supervisión y Seguro de Cooperativas de Puerto Rico	ASSETS_2004_0001343
Corporación Seguros Agrícolas de Puerto Rico	ASSETS_2004_0001344
Defensoria de las Personas con Impedimentos	ASSETS_2004_0001345 ASSETS_2004_0001346
Departamento de Justicia	ASSETS_2004_0001347
Departamento de Vivienda	ASSETS_2004_0001353 ASSETS_2004_0001357
Departamento de Recreacion y Deportes	ASSETS_2004_0001358 ASSETS_2004_0001359
Departamento de Seguridad Publica -Negociado de Investigaciones Especiales	ASSETS_2004_0001360
Fideicomiso Institucional de la Guardia Nacional de Puerto Rico	ASSETS_2004_0001361 ASSETS_2004_0001362
Instituto de Estadísticas de Puerto Rico	ASSETS_2004_0001363

Responding Entity	Bates
Junta de Relaciones del Trabajo	ASSETS_2004_0001364
Junta Reglamentadora de Servicio Público	ASSETS_2004_0001365
Local Redevelopment Authority for Roosevelt Road	ASSETS_2004_0001368
Oficina de Administración y Transformación de los Recursos Humanos del Gobierno de Puerto Rico	ASSETS_2004_0001369
Oficina de la Procuradora de las Mujeres	ASSETS_2004_0001370
Oficina del Comisionado de Instituciones Financieras	ASSETS_2004_0001372
Oficina del Procurador de las Personas de Edad Avanzada	ASSETS_2004_0001373
Oficina del Panel sobre el Fiscal Especial Independiente	ASSETS_2004_0001375 ASSETS_2004_0001376
Puerto Rico Federal Affairs Administration	ASSETS_2004_0001377
Administracion de Vivienda Publica	ASSETS_2004_0001378

As discussed on the parties' August 7, 2020 call, in light of the ongoing COVID-19 pandemic, the ability of government employees to review files has been limited. If we subsequently locate additional certifications, we will produce them to you.

Ad Valorem Taxes / Tax Arrears. In our August 6, 2020 letter, AAFAF referred Ambac for the second time to Hacienda's monthly reports disclosing property tax revenues, and directed Ambac that more detailed information on property tax collections, including breakdowns of collection rates by municipality, can be found in the current certified CRIM fiscal plan.

During the August 7, 2020 call, Ambac clarified that it was requesting not just information about the amounts of ad valorem taxes collected by or owed to the Commonwealth, but also information regarding the "value of these taxes," including property-specific information. AAFAF again directs Ambac to the June 26, 2020 certified CRIM Fiscal Plan ("CRIM Fiscal Plan"), which includes the following disclosure regarding valuation of tax receivables:

CRIM previously received an offer from a third party to purchase the portfolio for \$400 million in 2017. This sale was not consummated. In 2019, CRIM entered into an agreement with another third-party vendor to evaluate the accounts receivable portfolio and provide a final valuation report by January 2020. However, this contract was canceled, and no valuation report was received. As mentioned above, the net accounts receivable as of FY2019 were approximately \$660 million, including interest, penalties, and discounts. Therefore, this supports an estimate of approximately \$400 million in proceeds from a sale of the portfolio of receivables, when factoring in additional discounts and fees.

CRIM Fiscal Plan at 45.² AAFAF objects to collecting and producing property- and taxpayer-specific documentation as Ambac requested.

² Available at <https://www.aafaf.pr.gov/wp-content/uploads/2020-CRIM-Fiscal-Plan-as-Certified-by-the-FOMB-June-26-2020.pdf>.

B. Category No. 2: August 2019 Report – 23 Properties

- *A list of, or documents sufficient to identify, the 23 properties that were indicated as sold, or to be sold by December 2019, by HTA in the August 2019 report on the implementation of HTA's certified fiscal plan.*
- *Documents sufficient to show*
 - *how those properties were identified for sale or potential sale; and*
 - *the process and protocol for soliciting and entertaining bids, and evaluating and approving a sale.*

Your August 17, 2020 letter requests that AAFAF identify the “contracts corresponding to the properties that have been sold by HTA” that it already produced. AAFAF directs Ambac to the following documents: ASSETS_2004_0000655 - ASSETS_2004_0000724. Today we produced the sales contracts for two additional properties. ASSETS_2004_0001461 - ASSETS_2004_0001480.

C. Category No. 3: Real Property Valuation and Disposal Committee

- *Documents sufficient to show (i) AAFAF's (or any other Commonwealth instrumentality's) authority to supervise the work of the Committee; (ii) regulations governing the formalization of disposal of Commonwealth properties, including how the properties will be made available for sale and information will be made available to interested bidders; and (iii) any other strategy by AAFAF or the Committee related to disposal of properties, including establishment of an online data base, as per recent statements of AAFAF Executive Director Omar Marrero.*
- *Documents sufficient to identify any (i) proposals considered (whether ultimately accepted or not), (ii) transactions recently approved, and (iii) transactions currently under evaluation.*

Your August 17, 2020 letter incorrectly suggests that AAFAF's production in response to these requests is limited to “a few documents concerning completed transactions” produced on August 6, 2020. To the contrary, in response to these requests, AAFAF has produced lists of approved CEDBI transactions,³ as well as responsive CEDBI resolutions,⁴ application documents,⁵ and CEDBI regulations.⁶ To the extent AAFAF identifies additional responsive non-privileged documents, it will produce them.

D. Category No. 4: Municipal Revenue Collections Center (“CRIM”)

- *A list identifying all properties that have been foreclosed upon by the Commonwealth or its instrumentalities from January 1, 2015 to present, and which of those properties were subsequently sold by the Commonwealth (and for how much).*

³ ASSETS_2004_0000001 - ASSETS_2004_0000010; ASSETS_2004_0000934 - ASSETS_2004_0000943.

⁴ ASSETS_2004_0000403 - ASSETS_2004_0000540, ASSETS_2004_0000728, ASSETS_2004_0000755 - ASSETS_2004_0000933, ASSETS_2004_0001382 - ASSETS_2004_0001460, ASSETS_2004_0001481 - ASSETS_2004_0001486.

⁵ ASSETS_2004_0000725 - ASSETS_2004_0000727.

⁶ ASSETS_2004_0000361, ASSETS_2004_0000739.

- *All guidelines or rules governing CRIM's foreclosure of private property and the process for determining whether to sell any of foreclosed-upon properties.*

As noted in its June 19, 2020 letter, AAFAF at this time has not located any centralized pre-existing list of properties that have been foreclosed upon. Nevertheless, AAFAF worked with CRIM to compile a list of CRIM foreclosures notwithstanding the government's restricted ability to review in-office files during this time. Based on CRIM's review of records, CRIM has identified the following foreclosed properties:

- Calle Almodóvar Num.15, Juncos (227-063-047-01-001)
- El Comandante 22, San Juan (064-091-063-13-802)
- Multiplaza de PR, Cidra (250-062-985-39-000)
- IATG, Las Piedras Industrial Park (13 catastros)
- Global Commodity, Municipio Arecibo y Barceloneta
- La Re Group, Inc. Barceloneta (2 catastros)
- Gregorio Pagan Burgos, Municipio Orocovis
- Three Stars Rentals, Santurce, San Juan

AAFAF reserves the right to update this list as appropriate.

With respect to Ambac's request for guidelines or rules governing CRIM's foreclosures, as we noted in our May 19, 2020 letter, AAFAF produced the statute and regulation relating to CRIM foreclosures.⁷

Sincerely,

/s/ Elizabeth L. McKeen

Elizabeth L. McKeen

⁷ ASSETS_2004_0000541 - ASSETS_2004_0000600.